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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	NOVA Casualty Company
<b>TOI/Sub-TOI:</b>	17.2 Other Liability-Claims Made Only/17.2001 Commercial General Liability		
<b>Product Name:</b>	CW Manufacturers E&O		
<b>Project Name/Number:</b>	Specialty/Nova/GL/CW-GL-19702		

## Filing at a Glance

Company:	NOVA Casualty Company
Product Name:	CW Manufacturer's E&O
State:	District of Columbia
TOI:	17.2 Other Liability-Claims Made Only
Sub-TOI:	17.2001 Commercial General Liability
Filing Type:	Rate/Rule
Date Submitted:	01/13/2020
SERFF Tr Num:	HNVR-132211363
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	CW-GL-19702R
Effective Date	03/01/2020
Requested (New):	
Effective Date	03/01/2020
Requested (Renewal):	
Author(s):	Jenifer Kochis, Robert Hayden
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

**State:** District of Columbia **Filing Company:** NOVA Casualty Company  
**TOI/Sub-TOI:** 17.2 Other Liability-Claims Made Only/17.2001 Commercial General Liability  
**Product Name:** CW Manufacturers E&O  
**Project Name/Number:** Specialty/Nova/GL/CW-GL-19702

## General Information

Project Name: Specialty/Nova/GL  
Project Number: CW-GL-19702  
Reference Organization:  
Reference Title:  
Filing Status Changed: 01/13/2020  
State Status Changed:  
Created By: Jenifer Kochis  
Corresponding Filing Tracking Number: HNVR-132211362

Status of Filing in Domicile:  
Domicile Status Comments:  
Reference Number:  
Advisory Org. Circular:  
  
Deemer Date:  
Submitted By: Robert Hayden

### Filing Description:

Nova Casualty Company respectfully submits rates/rules for use with our General Liability policies. This filing introduces liability coverage for wrongful acts arising out of the errors and omissions of manufacturing operations.

In support of this filing we are providing the following:

- Rules – Exception Pages
- Rate/Rule Memorandum
- Any required transmittals and checklists

The factors for the Manufacturers E&O coverage are based on factors used by The Hanover Insurance Group which were filed and approved under SERFF # HNVR-126448984

The factors for the Additional Extended Reporting Period endorsement are the same factors used by another NCC extended reporting period endorsement, APL0120, approved in state filing # REGU-130337828. (If "n/a" is indicated, do not include this sentence.)

Thank you for your attention and review of this SERFF submission. Should you have any questions regarding this filing, please contact this office.

## Company and Contact

### Filing Contact Information

Robert Hayden, Associate Compliance Analyst  
440 Lincoln Street  
Worcester, MA 01653

rhayden@hanover.com  
  
508-855-3138 [Phone] 3138 [Ext]  
508-855-4786 [FAX]

### Filing Company Information

NOVA Casualty Company	CoCode: 42552	State of Domicile: New York
440 Lincoln Street	Group Code: 88	Company Type: Property and
Worcester, MA 01653	Group Name: Hanover Insurance	Casualty
(508) 855-1000 ext. [Phone]	Group	State ID Number:
	FEIN Number: 16-1140177	

## Filing Fees

Fee Explanation:

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	NOVA Casualty Company
<b>TOI/Sub-TOI:</b>	17.2 Other Liability-Claims Made Only/17.2001 Commercial General Liability		
<b>Product Name:</b>	CW Manufacturers E&O		
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## Correspondence Summary

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Rate	Commercial Lines Manual Division Six - General Liability Exception Pages	Robert Hayden	01/24/2020	01/24/2020

State:	District of Columbia	Filing Company:	NOVA Casualty Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2001 Commercial General Liability		
Product Name:	CW Manufacturers E&O		
Project Name/Number:	Specialty/Nova/GL/CW-GL-19702		

## Amendment Letter

Submitted Date: 01/24/2020

Comments:

Hello,

This amendment it to attach corrected manual pages. Thank you for your consideration, please contact this office with any questions.

Changed Items:

*No Form Schedule Items Changed.*

Rate Schedule Item Changes					
Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	Commercial Lines Manual Division Six - General Liability Exception Pages	1-3	New		01/24/2020 By:
Previous Version					
1	Commercial Lines Manual Division Six - General Liability Exception Pages	1-3	New		01/13/2020 By: Robert Hayden

*No Supporting Documents Changed.*

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	NOVA Casualty Company
<b>TOI/Sub-TOI:</b>	17.2 Other Liability-Claims Made Only/17.2001 Commercial General Liability		
<b>Product Name:</b>	CW Manufacturers E&O		
<b>Project Name/Number:</b>	Specialty/Nova/GL/CW-GL-19702		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	File and Use
<b>Rate Change Type:</b>	Neutral
<b>Overall Percentage of Last Rate Revision:</b>	%
<b>Effective Date of Last Rate Revision:</b>	
<b>Filing Method of Last Filing:</b>	
<b>SERFF Tracking Number of Last Filing:</b>	

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
NOVA Casualty Company	0.000%	0.000%	\$0	32	\$78,748	0.000%	0.000%

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	NOVA Casualty Company
<b>TOI/Sub-TOI:</b>	17.2 Other Liability-Claims Made Only/17.2001 Commercial General Liability		
<b>Product Name:</b>	CW Manufacturers E&O		
<b>Project Name/Number:</b>	Specialty/Nova/GL/CW-GL-19702		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Commercial Lines Manual Division Six - General Liability Exception Pages	1-3	New		NCC-GL-CW 0916 (rev).pdf

**COMMERCIAL LINES MANUAL  
DIVISION SIX – GENERAL LIABILITY  
EXCEPTION PAGES**

The following will supplement the respective Rate Services Organization (RSO) Division Six - General Liability countrywide rules:

**Rule 36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS**

The following are added to Rule 36.

**26. Manufacturers Errors and Omissions Liability Coverage (Stat Code: Primary Class)**

[State Exception: [CT](#) [IL](#) [KY](#) [LA](#) [MA](#) [ME](#) [MN](#) [ND](#) [NE](#) [NJ](#) [NY](#) [OK](#) [SD](#) [VA](#) [VT](#) [UT](#) [WY](#)]

**a. Description of Coverage**

This optional endorsement may be added to manufacturing operations to provide liability coverage that the insured becomes legally obligated to pay as damages due to an error or omission. Attach Manufacturers Errors and Omissions Liability Coverage – **AGL0836**.

**b. Premium Determination** [State Exception: [AK](#) [HI](#) [CA](#) [LA](#) [MD](#) [MO](#) [NE](#) [OH](#) [VA](#) [VT](#) [WA](#)]

(1) Determine the applicable hazard group from the table shown below:

Hazard Group	Description of Hazard Group
Low	The low end of the range contemplates risks with light severity exposures and/or risks with excellent management controls in place. This would primarily consist of accounts that manufacture products that are inactive or inert and do not conduct electricity or energy or any kind.
Medium	The moderate part of the range contemplates risks with average severity exposures and/or risks with average management controls in place. This would primarily consist of accounts that manufacture products that have moving parts and conduct or control the flow of electricity, energy or fluids.
High	The high end of the range contemplates risks with heavy severity exposures and/or risks with below average controls in place. This would consist primarily of accounts that manufacture products that can cause severe bodily injury or property damage when they fail and, if they are a component part, are essential to the operation or function of the final product.

(2) Determine the applicable factor based on the hazard group determined in **26.b.(1)** above and the selected limit of insurance from the table below:

<b>Table 36.26.b.(2) Manufacturers Errors and Omissions Liability Factors</b>	
<b>Limit Of Insurance (Occurrence/Aggregate)</b>	<b>Factor</b>
\$25,000/\$50,000	.10 - .20
\$50,000/\$100,000	.11 - .21
\$100,000/\$200,000	.15 - .25
\$250,000/\$500,000	.20 - .32
\$500,000/\$500,000	.25 - .40
\$1,000,000/\$1,000,000	.30 - .50

(3) Multiply the factor determined in (2) above by the final Products Liability Premium.

(4) This premium is not subject to any further modification.



**COMMERCIAL LINES MANUAL  
DIVISION SIX – GENERAL LIABILITY  
EXCEPTION PAGES**

**Rule 36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS (continued)**

**26. Manufacturers Errors and Omissions Liability Coverage (Stat Code: Primary Class) (continued)**

**b. Premium Determination (continued)**

(5) Minimum Premium: [\[State Exception: CA\]](#)

<b>Table 36.26.b.(5) Manufacturers Errors and Omissions Liability Minimum Premiums</b>	
<b>Limit Of Insurance (Occurrence/Aggregate)</b>	<b>Minimum Premium</b>
\$25,000/\$50,000	\$100
\$50,000/\$100,000	\$150
\$100,000/\$200,000	\$250
\$250,000/\$500,000	\$500
\$500,000/\$500,000	\$750
\$1,000,000/\$1,000,000	\$1,500

**27. Manufacturers Errors and Omissions Additional Extended Reporting Period**

[\[State Exception: CT IL KY LA MA ME MN ND NE NJ NY OK SD VA VT UT WY\]](#)

**a. Description of Coverage**

- (1) If the circumstances related to the termination, renewal or replacement of the claims-made coverage specified in Paragraph H - Extended Reporting Periods of the applicable claims made coverage form are met, an extended reporting period may be provided. Under the extended reporting period, a claim first received and reported to us during the extended reporting period will be deemed to have been made on the last day of the policy period. The claim must be for damages because of a wrongful act which commenced before the end of the policy period, but not before the applicable Retroactive Date.
- (2) A Basic Extended Reporting Period is automatically provided at no extra charge. This period begins with the end of the policy period and lasts for 60 days, with respect to claims because of a wrongful act. The Basic Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

The Basic Extended Reporting Period does not reinstate or increase the limits under the policy.

- (3) An additional extended reporting period is available by attaching Manufacturers Errors and Omissions Additional Extended Reporting Period – **AGL0837** for an additional charge. The Named Insured must request this endorsement in writing within 60 days after the end of the policy period. This Manufacturers Errors and Omissions Additional Extended Reporting Period starts when the basic extended reporting period ends and lasts for up to five years, with respect to claims because of a wrongful act arising out of an error or omission.

The Manufacturers Errors and Omissions Additional Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

- (4) If the Manufacturers Errors and Omissions Additional Extended Reporting Period is in effect, the limits of insurance available for claims first received and reported to us during the Manufacturers Errors and Omissions Additional Extended Reporting Period will be equal to the remaining portion, if any, of the Limits of Insurance at the time the policy was cancelled or non-renewed.

**COMMERCIAL LINES MANUAL  
DIVISION SIX – GENERAL LIABILITY  
EXCEPTION PAGES**

**Rule 36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS (continued)**

**27. Manufacturers Errors and Omissions Additional Extended Reporting Period (continued)**

[State Exception: [CT](#) [IL](#) [KY](#) [LA](#) [MA](#) [ME](#) [MN](#) [ND](#) [NE](#) [NJ](#) [NY](#) [OK](#) [SD](#) [VA](#) [VT](#) [UT](#) [WY](#)]

**b. Premium Determination**

Determine the premium for the extended reporting period based on the Option Year selected from the table below:

<b>Table 36.27.b. Manufacturers Errors and Omissions Liability Minimum Premiums</b>		
<b>1 Year Option:</b>	<b>80%</b>	of the annual premium for Manufacturers E&O Liability
<b>2 Year Option:</b>	<b>85%</b>	of the annual premium for Manufacturers E&O Liability
<b>3 Year Option:</b>	<b>90%</b>	of the annual premium for Manufacturers E&O Liability
<b>4 Year Option:</b>	<b>95%</b>	of the annual premium for Manufacturers E&O Liability
<b>5 Year Option:</b>	<b>100%</b>	of the annual premium for Manufacturers E&O Liability

- (1) Multiply the factor determined in **27.b.** above to the expiring annual premium for the coverage requesting the extended reporting period.

For example, if the expiring annual claims made premium is \$10,000, the additional premium to purchase a 2-Year ERP would be  $.85 \times \$10,000 = \$8,500$ .

- (2) This premium will be fully earned when the endorsement takes effect.

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	NOVA Casualty Company
<b>TOI/Sub-TOI:</b>	17.2 Other Liability-Claims Made Only/17.2001 Commercial General Liability		
<b>Product Name:</b>	CW Manufacturers E&O		
<b>Project Name/Number:</b>	Specialty/Nova/GL/CW-GL-19702		

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Consulting Authorization
<b>Bypass Reason:</b>	N/A - we are not a third party filer
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Certification (P&C)
<b>Comments:</b>	
<b>Attachment(s):</b>	DC Data Certification NOVA.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Comments:</b>	
<b>Attachment(s):</b>	DC 5 Year Experience Exhibit.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Comments:</b>	N/A - not applicable to this filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Rate Rule Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	CW Rates and Rules Memo 12.16.19.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

Nova Casualty Company  
District of Columbia

Actuarial Certification

November 24, 2019

Re: District of Columbia Data Certification

I, Jason Clay, a fellow of the Casualty Actuarial Society am authorized to certify on behalf of the Nova Casualty Company, that the data submitted in this filing is accurate and reliable.

Rate change and proposed rate change for this filing is 0.00%

Estimated impact on DC policy holder is \$0.00.

Sincerely,

A handwritten signature in dark ink, appearing to read 'J Clay', with a stylized flourish at the end.

Jason Clay, FCAS  
Managing Actuary  
[jclay@hanoverprograms.com](mailto:jclay@hanoverprograms.com)

**NOVA Casualty Company**  
**5 Year Experience**  
**District of Columbia and Countrywide Experience**  
**Commercial General Liability**

**District of Columbia**

	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
Written Premium *	206,564	258,694	87,248	99,959	106,908
Historical Rate Changes	-6.4%	-12.1%	-3.8%	0.0%	-2.3%

**Countrywide**

	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
Written Premium *	71,722,867	72,401,864	78,800,339	87,106,036	95,213,594

\* Data source: Annual statement

## **Explanatory Memorandum Rates & Rules**

NOVA Casualty Company (NCC), a member of Insurance Services Office (ISO), would like to file the following rules for use with Division Six – General Liability

In compliance with the insurance laws and regulations in your state, NOVA Casualty Company (NCC), respectfully submits new rates/rules for use with General Liability policies. This filing introduces liability coverage for wrongful acts arising out of the errors and omissions of manufacturing operations.

### **Rates/Rules**

For the Manufacturers E&O coverage form, we are filing factors that reflects the diversity of operations in the manufacturing industry. The criteria used to determine the specific factor for an individual risk depends on the hazard level of the exposures associated with the operation.

For the Additional Extended Reporting Period endorsement, we are filing factors that are based on the length of the reporting period (up to 5 years) and applied to the annual premium for Manufacturers E&O coverage.

### **Support for the Rates/Rules**

The factors for Manufacturers E&O coverage are based on factors used by Hanover Insurance Group, our parent company. In their plan, the factors vary from .16 - .65 for low to medium hazard risks and up to 4.0 for high hazard risks. Our factors are similar but a bit narrower due to the fact that we do not write as wide a variety of manufacturing operations. Our business consists primarily of metalworkers that manufacture customized component parts for machinery.

State:	District of Columbia	Filing Company:	NOVA Casualty Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2001 Commercial General Liability		
Product Name:	CW Manufacturers E&O		
Project Name/Number:	Specialty/Nova/GL/CW-GL-19702		

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
01/13/2020		Rate	Commercial Lines Manual Division Six - General Liability Exception Pages	01/24/2020	NCC-GL-CW 0916.pdf (Superceded)

**COMMERCIAL LINES MANUAL  
DIVISION SIX – GENERAL LIABILITY  
EXCEPTION PAGES**

The following will supplement the respective Rate Services Organization (RSO) Division Six - General Liability countrywide rules:

**Rule 36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS**

The following are added to Rule 36.

**26. Manufacturers Errors and Omissions Liability Coverage (Stat Code: Primary Class)**

[State Exception: [CT](#) [IL](#) [KY](#) [LA](#) [MA](#) [ME](#) [MN](#) [ND](#) [NE](#) [NJ](#) [NY](#) [OK](#) [SD](#) [VA](#) [VT](#) [UT](#) [WY](#)]

**a. Description of Coverage**

This optional endorsement may be added to manufacturing operations to provide liability coverage that the insured becomes legally obligated to pay as damages due to an error or omission. Attach Manufacturers Errors and Omissions Liability Coverage – **AGL0836**.

**b. Premium Determination** [State Exception: [AK](#) [HI](#) [CA](#) [LA](#) [MD](#) [MO](#) [NE](#) [OH](#) [VA](#) [VT](#) [WA](#)]

(1) Determine the applicable hazard group from the table shown below:

Hazard Group	Description of Hazard Group
Low	The low end of the range contemplates risks with light severity exposures and/or risks with excellent management controls in place. This would primarily consist of accounts that manufacture products that are inactive or inert and do not conduct electricity or energy or any kind.
Medium	The moderate part of the range contemplates risks with average severity exposures and/or risks with average management controls in place. This would primarily consist of accounts that manufacture products that have moving parts and conduct or control the flow of electricity, energy or fluids.
High	The high end of the range contemplates risks with heavy severity exposures and/or risks with below average controls in place. This would consist primarily of accounts that manufacture products that can cause severe bodily injury or property damage when they fail and, if they are a component part, are essential to the operation or function of the final product.

(2) Determine the applicable factor based on the hazard group determined in **25.b.(1)** above and the selected limit of insurance from the table below:

<b>Table 36.25.(2) Manufacturers Errors and Omissions Liability Factors</b>	
<b>Limit Of Insurance (Occurrence/Aggregate)</b>	<b>Factor</b>
\$25,000/\$50,000	.10 - .20
\$50,000/\$100,000	.11 - .21
\$100,000/\$200,000	.15 - .25
\$250,000/\$500,000	.20 - .32
\$500,000/\$500,000	.25 - .40
\$1,000,000/\$1,000,000	.30 - .50

(3) Multiply the factor determined in (2) above by the final Products Liability Premium.

(4) This premium is not subject to any further modification.



**COMMERCIAL LINES MANUAL  
DIVISION SIX – GENERAL LIABILITY  
EXCEPTION PAGES**

**Rule 36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS (continued)**

**26. Manufacturers Errors and Omissions Liability Coverage (Stat Code: Primary Class) (continued)**  
**b. Premium Determination (continued)**

(5) Minimum Premium: [\[State Exception: CA\]](#)

<b>Table 36.25.(5) Manufacturers Errors and Omissions Liability Minimum Premiums</b>	
<b>Limit Of Insurance (Occurrence/Aggregate)</b>	<b>Minimum Premium</b>
\$25,000/\$50,000	\$100
\$50,000/\$100,000	\$150
\$100,000/\$200,000	\$250
\$250,000/\$500,000	\$500
\$500,000/\$500,000	\$750
\$1,000,000/\$1,000,000	\$1,500

**27. Manufacturers Errors and Omissions Additional Extended Reporting Period**

[\[State Exception: CT IL KY LA MA ME MN ND NE NJ NY OK SD VA VT UT WY\]](#)

**a. Description of Coverage**

- (1) If the circumstances related to the termination, renewal or replacement of the claims-made coverage specified in Paragraph H - Extended Reporting Periods of the applicable claims made coverage form are met, an extended reporting period may be provided. Under the extended reporting period, a claim first received and reported to us during the extended reporting period will be deemed to have been made on the last day of the policy period. The claim must be for damages because of a wrongful act which commenced before the end of the policy period, but not before the applicable Retroactive Date.
- (2) A Basic Extended Reporting Period is automatically provided at no extra charge. This period begins with the end of the policy period and lasts for 60 days, with respect to claims because of a wrongful act. The Basic Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

The Basic Extended Reporting Period does not reinstate or increase the limits under the policy.

- (3) An additional extended reporting period is available by attaching Manufacturers Errors and Omissions Additional Extended Reporting Period – **AGL0837** for an additional charge. The Named Insured must request this endorsement in writing within 60 days after the end of the policy period. This Manufacturers Errors and Omissions Additional Extended Reporting Period starts when the basic extended reporting period ends and lasts for up to five years, with respect to claims because of a wrongful act arising out of an error or omission.

The Manufacturers Errors and Omissions Additional Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

- (4) If the Manufacturers Errors and Omissions Additional Extended Reporting Period is in effect, the limits of insurance available for claims first received and reported to us during the Manufacturers Errors and Omissions Additional Extended Reporting Period will be equal to the remaining portion, if any, of the Limits of Insurance at the time the policy was cancelled or non-renewed.

**COMMERCIAL LINES MANUAL  
DIVISION SIX – GENERAL LIABILITY  
EXCEPTION PAGES**

**Rule 36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS (continued)**

**27. Manufacturers Errors and Omissions Additional Extended Reporting Period (continued)**

[State Exception: [CT](#) [IL](#) [KY](#) [LA](#) [MA](#) [ME](#) [MN](#) [ND](#) [NE](#) [NJ](#) [NY](#) [OK](#) [SD](#) [VA](#) [VT](#) [UT](#) [WY](#)]

**b. Premium Determination**

Determine the premium for the extended reporting period based on the Option Year selected from the table below:

<b>Table 36.26.b. Manufacturers Errors and Omissions Liability Minimum Premiums</b>		
<b>1 Year Option:</b>	<b>80%</b>	of the annual premium for Manufacturers E&O Liability
<b>2 Year Option:</b>	<b>85%</b>	of the annual premium for Manufacturers E&O Liability
<b>3 Year Option:</b>	<b>90%</b>	of the annual premium for Manufacturers E&O Liability
<b>4 Year Option:</b>	<b>95%</b>	of the annual premium for Manufacturers E&O Liability
<b>5 Year Option:</b>	<b>100%</b>	of the annual premium for Manufacturers E&O Liability

- (1)** Multiply the factor determined in **27.b.(1)** above to the expiring annual premium for the coverage requesting the extended reporting period.

For example, if the expiring annual claims made premium is \$10,000, the additional premium to purchase a 2-Year ERP would be  $.85 \times \$10,000 = \$8,500$ .

- (2)** This premium will be fully earned when the endorsement takes effect.